

AUG 11 1953

MEMORANDUM FOR: The Honorable Harold E. Stassen
Director Foreign Operations Administration

SUBJECT: Analysis of Soviet State Budget in terms of
Gross National Product

The 1953 Soviet State Budget was presented to the Supreme Soviet on 5 August. The total planned expenditure of 530.5 billion rubles represents approximately 64% of the estimated Soviet gross national product of 827 billion rubles for 1953.

The following preliminary analysis may be of use to you
(figures are in billion rubles)

<u>Expenditures</u>	<u>Plan</u>	<u>Percent of Total Expenditures</u>	<u>Percent of Gross National Product</u>
National Economy	192.5	36.3	23.0
Social-Cultural	129.8	24.5	15.5
Defense	110.2	20.8	13.2
State Administration	14.3	2.7	1.7
Loan Service	9.8	1.8	1.2
Unexplained Residual	<u>73.9</u>	<u>13.9</u>	<u>8.8</u>
Total	530.5	100.0	63.4

<u>Revenues</u>			
Turnover Tax	240.4	44.2	28.7
Deductions from profits	80.6	14.8	9.6
Direct taxes	46.1	8.5	5.5
State loans	16.7	3.1	2.0
Residual receipts	<u>159.5</u>	<u>29.4</u>	<u>19.1</u>
Total	543.3	100.0	64.9

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The figure for unexplained residual rises from 28.5 billion rubles in 1952 to 73.9 billion rubles for 1953, from 6 percent to 14 percent of the total, and may in part represent allocations for defense not included under the Defense heading. The allocation for defense was reduced from 113.8 billion rubles (24 percent) in 1952 to 110.2 billion rubles (21 percent) in 1953, possibly for propaganda purposes.

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Acting Director

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